



CITY OF DANBURY
155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

DAVID W. ST. HILAIRE
DIRECTOR OF FINANCE

(203) 797-4652
FAX: (203) 796-1526

M E M O R A N D U M

DATE: April 6, 2021
TO: Hon. Joseph M. Cavo via the City Council
FROM: David W. St. Hilaire, Director of Finance *DWS*
RE: **ORDINANCES 1 – 3 and Resolution: Downtown Special Services District – Tax Levy**

Attached you will find an ordinance and a sheet of proceedings which will require a Public Hearing and City Council approval.

- **Ordinance 1:** An Ordinance Making Appropriations for Fiscal Year Beginning July 1, 2021 and ending June 30, 2022 and a Resolution Levying the Property Tax for the Fiscal Year Beginning July 1, 2021 and ending June 30, 2022.
- **Ordinance 2:** An Ordinance Appropriating \$3,000,000 for Public Improvements Projects in the 2021-2022 Capital Budget and Authorizing the Issuance of \$3,000,000 Bonds of the City to Meet Said Appropriations and Pending the Issuance Thereof the Making of Temporary Borrowings for Such Purpose.
- **Ordinance 3:** Senior Tax Freeze
- **Resolution:** Downtown Special Services District – Tax Levy

These ordinances and Resolution are being presented in conjunction with the Mayor's 2021-2022 Proposed Budget. Please do not hesitate to contact me at any time with questions.

Attach.



1

CITY OF DANBURY

155 DEER HILL AVENUE

DANBURY, CONNECTICUT 06810

DAVID W. ST. HILAIRE
DIRECTOR OF FINANCE

(203) 797-4652
FAX: (203) 796-1526

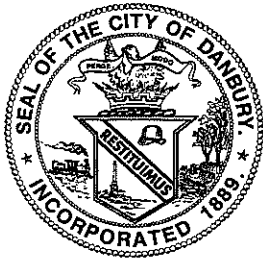
M E M O R A N D U M

DATE: April 6, 2021
TO: Members of the City Council
FROM: David W. St. Hilaire, Director of Finance *DWS*
RE: 2021-2022 PROPOSED OPERATING BUDGET

Enclosed you will find the 7-year historical report of revenue and expenditures for the General Fund, Water Fund, Sewer Fund and Board of Education that will be helpful to you during your budget deliberations. I will provide you with additional information during our normal committee meetings.

Please do not hesitate to contact me at any time with any questions as they relate to the 2021-2022 proposed operating budget.

Good luck in your deliberations!



ORDINANCE

CITY OF DANBURY, STATE OF CONNECTICUT CITY COUNCIL

2021

Be it ordained by the City Council of the City of Danbury:

AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022.

SECTION 1. That the amounts hereinafter set forth aggregating \$267,000,000 or so much as may be necessary, are hereby appropriated for the General Fund, from current revenue, for the use of the several departments of the Municipal Government and for the purpose hereinafter mentioned for the fiscal year beginning July 1, 2021 and ending June 30, 2022.

I. <u>GENERAL GOVERNMENT</u>	<u>PROPOSED</u>	<u>ADOPTED</u>
	<u>BUDGET</u>	<u>BUDGET</u>
City Council	\$8,900	
Mayor's Office	498,386	
Legislative Assistant	68,556	
Ordinances	14,500	
Probate Court	29,000	
Registrar of Voters	248,200	
City Treasurer	27,442	
Director of Finance	1,064,000	
Information Technology	1,692,000	
Independent Audit	45,000	
Bureau of Assessments	560,000	
Board of Assessment Appeal	6,800	
Tax Collector	654,000	
Purchasing	293,000	
Corporation Counsel	892,000	
Town Clerk	398,000	
Annual Report	8,000	
Permit Coordination	368,000	

	<u>MAYOR'S</u> <u>BUDGET</u>	<u>ADOPTED</u> <u>BUDGET</u>
I. <u>GENERAL GOVERNMENT (continued)</u>		
Planning	\$524,500	
Office of Business Advocacy	117,000	
Conservation Commission	12,750	
Human Resources	391,000	
Mayor's Discretionary Fund	18,000	
Fair Rent Commission	345	
City Memberships	85,381	
Lake Authority	85,670	
Retirement Administration	25,000	
Labor Negotiations	145,000	
Public Buildings	1,251,000	
City Hall Building	339,000	
Library Building	243,000	
Police Station Building	510,000	
Senior Center Building	57,000	
Old Jail Building	31,000	
Old Library Building	40,000	
Park Buildings	138,000	
General Govt Employee Service Benefit	43,304	
<u>TOTAL GENERAL GOVERNMENT</u>	<u>\$10,932,734</u>	
II. <u>PUBLIC SAFETY</u>		
Police Department	\$19,276,000	
Fire Department	14,506,000	
Emergency Services Dispatch	2,906,000	
Building Inspector	591,500	
Emergency Management	264,000	
Consumer Protection	18,700	
Unified Neighborhood Inspection Team	301,000	
Airport	589,000	

	<u>MAYOR'S</u> <u>BUDGET</u>	<u>ADOPTED</u> <u>BUDGET</u>
II. <u>PUBLIC SAFETY (continued)</u>		
HART	680,410	
Public Safety Employee Service Benefit	13,931	
<u>TOTAL PUBLIC SAFETY</u>	<u>\$39,146,541</u>	
III. <u>PUBLIC WORKS</u>		
Director of Public Works	\$268,000	
Highways	3,227,000	
Highways – State Aid	360,000	
Snow and Ice Removal	798,000	
Street Lighting	472,000	
Park Maintenance	1,473,500	
Forestry	308,500	
Public Building Maintenance and Repair	779,000	
Equipment Maintenance	1,470,000	
Recycling/Solid Waste	267,500	
Engineering Department	1,029,500	
Construction Services	289,000	
Public Works Employee Service Benefit	<u>15,386</u>	
<u>TOTAL PUBLIC WORKS</u>	<u>\$10,757,386</u>	
IV. <u>HEALTH & WELFARE</u>		
Health & Human Services	\$1,723,000	
Veterans' Advisory Center	93,500	
Elderly Services	286,500	
Elderly Transportation	12,000	
Community Services	321,398	
Health & Welfare Employee Service Benefit	6,440	
<u>TOTAL HEALTH & WELFARE</u>	<u>\$2,442,838</u>	

	<u>MAYOR'S</u>	<u>ADOPTED</u>
	<u>BUDGET</u>	<u>BUDGET</u>
V. <u>EDUCATION</u>		
Schools - Regular	\$137,150,000	
Schools - Health & Welfare	208,575	
<u>TOTAL EDUCATION</u>	<u>\$137,358,575</u>	
VI. <u>CULTURE & RECREATION</u>		
Danbury Public Library	\$2,270,000	
Long Ridge Library	14,000	
Recreation	287,000	
Tarrywile Park Authority	197,000	
Cultural Commission	65,650	
Lake Kenosia Commission	15,200	
Ives Authority for the Performing Arts	0	
Danbury Museum/Historical Society Authority	89,950	
Culture & Rec Employee Service Benefit	3,735	
<u>TOTAL CULTURE & RECREATION</u>	<u>\$2,942,535</u>	
VII. <u>PENSION & OTHER BENEFITS</u>		
FICA	\$1,786,000	
Pension Expense	14,819,600	
Employee Service Benefit	0	
Worker's Compensation – Heart/Hypertension	700,000	
State Unemployment Compensation	55,000	
Employee Health & Life Insurance	20,748,979	
Union Welfare	1,687,512	
Risk Management	2,088,630	
<u>TOTAL PENSION & OTHER BENEFITS</u>	<u>\$41,885,721</u>	

	<u>MAYOR'S</u>	<u>ADOPTED</u>
	<u>BUDGET</u>	<u>BUDGET</u>
VIII. <u>DEBT SERVICE</u>		
Interest on Debt	\$3,097,207	
Interest on Debt – School	1,241,404	
Redemption of Debt	10,600,198	
Redemption of Debt – School	2,773,393	
<u>TOTAL DEBT SERVICE</u>	<u>\$17,712,202</u>	
IX. <u>CONTINGENCY</u>		
Contingency	<u>\$262,468</u>	
<u>TOTAL CONTINGENCY</u>	<u>\$262,468</u>	
X. <u>TRANSFER OUT</u>		
Capital	\$3,250,000	
Animal	309,000	
<u>TOTAL TRANSFER OUT</u>	<u>\$3,559,000</u>	
 <u>TOTAL BUDGET</u>	 <u>\$267,000,000</u>	

SECTION 2. That the amount of \$3,800,000 is appropriated to the AMBULANCE FUND in the same manner as set forth in Section 1 hereof.

SECTION 3. That the amount of \$320,000 is appropriated to the ANIMAL CONTROL FUND in the same manner as set forth in Section 1 hereof.

SECTION 4. That the amount of \$14,300,000 is appropriated to the SEWER FUND in the same manner as set forth in Section 1 hereof.

SECTION 5. That the amount of \$10,300,000 is appropriated to the WATER FUND in the same manner as set forth in Section 1 hereof.

SECTION 6. That the amount of \$19,251,665 is appropriated to the INTERNAL SERVICE FUND/RISK MANAGEMENT/EMPLOYEE BENEFITS in the same manner as set forth in Section 1 hereof.

SECTION 7. That the amount of \$2,925,000 is appropriated to the INTERNAL SERVICE FUND/WORKERS' COMPENSATION in the same manner as set forth in Section 1 hereof.

SECTION 8. That the amount of \$25,711,000 is appropriated to the INTERNAL SERVICE FUND/PENSION/OTHER POST EMPLOYMENT BENEFITS in the same manner as set forth in Section 1 hereof.

SECTION 9. That the amount of \$112,222,000 is appropriated to the CAPITAL FUND in the same manner as set forth in Section 1 hereof.

ORDINANCE
CITY COUNCIL

No: _____

Ordinance _____

Adopted by the City Council

Approved by the Mayor:

Mayor



RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____, A.D. 2021

RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

A RESOLUTION LEVYING THE PROPERTY TAX FOR THE FISCAL YEAR

BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022

SECTION 1. The sum of \$220,188,423, representing the gross appropriation for the City of Danbury of \$267,000,000 for the fiscal year of July 1, 2021 and ending June 30, 2022, minus Indirect Revenue of \$40,061,577, minus use of fund reserves of \$6,750,000, is hereby levied and assessed on all taxable property in the City of Danbury as set forth on the annual Grand List as of October 1, 2020.

SECTION 2. Accordingly, the General Fund Tax Rate for the fiscal year beginning July 1, 2021 and ending June 30, 2022 shall be as follows:

TAX RATE: 27.60 MILLS

SECTION 3. The taxes levied and assessed as hereinafter provided shall be payable in quarterly installments on July 1, 2021, October 1, 2021, January 1, 2022, and April 1, 2022 except for taxes levied and assessed on mobile homes, motor vehicles and where not in excess of One Hundred Dollars (\$100.00), which taxes shall be paid on July 1, 2021, in accordance with the General Statutes of the State of Connecticut, unless said dates shall have lapsed before the effective date of this resolution, in which case the Tax Collector shall fix the dates and installments as if said dates had not been fixed herein as provided by law.

SECTION 4. The Tax Collector shall cause the said taxes above levied and assessed to be inserted on the tax rolls for the fiscal year beginning July 1, 2021 and ending June 30, 2022.



2

CITY OF DANBURY

155 DEER HILL AVENUE

DANBURY, CONNECTICUT 06810

DAVID W. ST. HILAIRE
DIRECTOR OF FINANCE

(203) 797-4652
FAX: (203) 796-1526

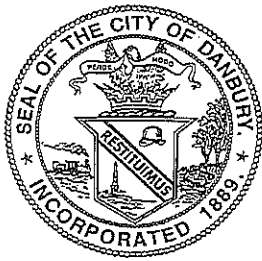
MEMORANDUM

TO: Hon. Joseph M. Cavo via the City Council
FROM: David W. St. Hilaire, Director of Finance *DSH*
RE: **ORDINANCE - \$3,000,000 FOR PUBLIC IMPROVEMENTS**
DATE: April 6, 2021

Attached you will find an ordinance and a sheet of proceedings which will require a Public Hearing and City Council approval. This ordinance is presented in conjunction with the Mayor's 2021-2022 budget whereby we will issue \$3,000,000 worth of bonds to fund the various public improvement projects outlined in the attached ordinance.

Should you need any additional information, feel free to give me a call.

Attach.



ORDINANCE

CITY OF DANBURY, STATE OF CONNECTICUT CITY COUNCIL

_____ A.D. 2021

Be it ordained by the City Council of the City of Danbury:

AN ORDINANCE APPROPRIATING \$3,000,000 FOR PUBLIC IMPROVEMENT PROJECTS IN THE 2021-2022 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF \$3,000,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$3,000,000 is appropriated for the public improvement projects hereinafter listed, including printing, legal and financing costs related thereto (collectively, the "Project"):

<u>Project</u>	<u>Estimated Cost</u>
Citywide Generator Replacement Program	\$350,000
Fire Department Facilities Improvements and Planning	500,000
Public Services Equipment Replacement Program, Combined Divisions	450,000
Paving, Drainage and Road Improvements	1,250,000
UST Replacement Program	<u>450,000</u>
TOTAL:	<u>\$3,000,000</u>

Section 2. To meet said appropriation \$3,000,000 bonds of the City are hereby authorized to be issued maturing not later than the maximum maturity permitted by the General Statutes of the State of Connecticut, Revision of 1958, as amended from time to time (the "Connecticut General Statutes"). Said bonds may be issued in one or more series as determined by the Mayor and the Director of Finance provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal and financing costs of issuance of such bonds. The bonds shall be in the denomination of \$5,000 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the City by the facsimile or manual signatures of the Mayor and the City Treasurer, bear the City seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, Connecticut. The bonds shall be general obligations of the City and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the certifying, registrar and transfer agent and the paying agent, the date, time of issue and sale and other terms, details and particulars of such bonds including the rate or rates of interest shall be determined by the Mayor and the Director of Finance, in accordance with the Connecticut General Statutes.

Section 3. The bonds of each series shall be sold by the Mayor in a competitive offering or by negotiation, in his discretion. If sold in a competitive offering, the bonds shall be sold at not less than par and accrued interest on the basis of the lowest net or true interest cost to the City. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If the bonds are sold by negotiation, the purchase agreement shall be approved and executed on behalf of the City by the Mayor, the City Treasurer and the Director of Finance.

Section 4. The City Treasurer is authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be signed by the Mayor and the City Treasurer, have the seal of the City affixed, be payable at a bank or trust company designated by the City Treasurer, be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, Connecticut, and be certified by a bank or trust company designated by the City Treasurer pursuant to Section 7-373 of the Connecticut General Statutes. They shall be issued with maturity dates which comply with the provisions of the Connecticut General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the City and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the Project. Upon the sale of the bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. The appropriation may be expended with the approval of the Mayor and the Director of Finance to meet the actual cost of any of the Projects, and the balance of any of the estimated amounts not needed to meet the cost of any of the Projects, or the proceeds of any bonds not needed to meet the cost of the Projects, may be transferred by the Mayor and the Director of Finance to meet the actual cost of any other Project.

Section 6. The Mayor is authorized in the name and on behalf of the City to apply for and accept any and all federal and State loans and/or grants-in-aid of the Project and is further authorized, in connection with the Project, to contract in the name of the City with engineers, contractors and others.

Section 7. The City hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and anytime after the date of passage of this ordinance in the maximum amount and for the capital projects defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Tax-Exempt Obligations") authorized to be issued by the City. The Tax-Exempt Obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The City hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Mayor or his designee is authorized to pay Project expenses in accordance herewith pending the issuance of Tax-Exempt Obligations.

Section 8. The Director of Finance is hereby authorized, on behalf of the City of Danbury, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this ordinance. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

Section 9. The Director of Finance or his designee is hereby authorized, on behalf of the City, to enter into any other agreements, instruments, documents and certificates, including tax and investment agreements, for the consummation of the transactions contemplated by this resolution.



3

CITY OF DANBURY
155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

DAVID W. ST. HILAIRE
DIRECTOR OF FINANCE

(203) 797-4652
FAX: (203) 796-1526

M E M O R A N D U M

DATE: April 6, 2021
TO: Hon. Joseph M. Cavo via the City Council
FROM: David W. St. Hilaire, Director of Finance *DWS*
RE: **TAX "FREEZE" PROGRAM FOR ELDERLY HOMEOWNERS**

The purpose of the proposed ordinance is to assist qualified elderly homeowners aged 65 and older on fixed incomes with a property tax credit to make it more affordable to stay in their homes. While the City does offer other similar programs for our seniors, this program is specifically designed to mitigate any adverse effects resulting from the **October 1, 2017** State mandated Grand List Revaluation. This program will sunset with each subsequent revaluation unless specifically renewed by the adoption of an amended ordinance.

I respectfully ask for referral of this proposed ordinance to a subcommittee of the City Council for review and to take the necessary action in order that we may provide the benefit for the ensuing fiscal year.

Please feel free to contact me should you require any additional information. Thank you.



ORDINANCE

CITY OF DANBURY, STATE OF CONNECTICUT CITY COUNCIL

_____ A.D. 2021

Be it ordained by the City Council of the City of Danbury:

Sec. 44-53 Tax freeze for elderly homeowners.

(a) The City of Danbury hereby re-enacts a tax freeze for elderly homeowners, pursuant to §12-129n of the Connecticut General Statutes, for specified, eligible residents of the City of Danbury on the terms and conditions provided herein. This section is enacted for the purpose of assisting elderly homeowners with a portion of the cost of property taxation commencing with the Assessment List of October 1, 2012.

(b) Any person who owns real property in the City of Danbury or is liable for the payment of taxes thereon, pursuant to §12-48 of the Connecticut General Statutes, and who occupies the property as a principal residence may elect to apply for a freeze under which such applicant shall pay the gross tax levied on applicable property calculated for the first year the application is granted (the "freeze amount") and shall be entitled to continue to pay no more than the freeze amount for each subsequent year in which the applicant, or his surviving spouse, continues to meet such qualifications and those as herein set forth.

(1) a. Such person is sixty five (65) years of age or over at the close of the previous calendar year, or his or her spouse is sixty five (65) years of age or over at the close of the previous calendar year and resides with such person, or such person is sixty-five (65) years of age or is over and is the surviving spouse of a taxpayer qualified for tax freeze under this section at the time of his or her death; or

b. Such person is under age sixty five (65) and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or has not been engaged in employment covered by Social Security and accordingly has not qualified for benefits thereunder, but has become qualified for permanent total disability benefits under any federal, state or local government retirement or disability plan, including the Railroad Retirement Act and any government related teacher's retirement plan, in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security.

(2) Such person must have a principal residence located in Danbury and must have paid taxes in Danbury for one (1) year immediately preceding his or her receipt of tax benefits hereunder.

(3) The property for which the freeze is claimed must be the primary legal residence of such person and occupied more than one hundred eighty-three (183) days of each calendar year.

(4) Applications must be filed with the assessor's office between February 1 and May 15 in the year following the list year with respect to which benefits are claimed hereunder, in triplicate, one (1) copy going to the taxpayer, one (1) to the tax collector and one (1) to the assessor. The applicant must reapply every two (2) years in order to continue eligibility for relief hereunder.

(5) No tax freeze shall be provided under this section to any persons who owe delinquent taxes to the City of Danbury. The applicant shall submit a certificate from the tax collector to the effect that no such delinquent taxes are owed.

(6) No property tax relief authorized hereunder, together with any relief received by any such resident under provisions of the Connecticut General Statutes, §§ 12-129b to 12-129d, inclusive, 12-129h, and 12-170aa, shall exceed, in the aggregate, seventy-five (75) per cent of the tax which would, except for said §§ 12-129b to 12-129d, inclusive, 12-129h, 12-170aa and this section, be laid against the taxpayer.

(7) The freeze program will be based on income guidelines and standards as set forth in Section (j) hereunder.

(c) The tax freeze for real property as provided herein shall apply to only the residence itself and the lot on which the residence is located, but shall not apply to more than the minimum lot size permitted by the zoning ordinances of the City of Danbury.

(d) The assessor shall determine whether each applying taxpayer is entitled to tax freeze under this section and shall compute the amount of said freeze to which each qualified taxpayer is entitled and cause a certificate of tax freeze to be issued in such form as to permit the tax collector to reduce the amount of tax levied against the taxpayer. The tax freeze shall be applied proportionately to the tax payments.

(e) The tax freeze shall be allowed for each parcel of land eligible for the freeze under this section. In any case where title to such real property is recorded in the name of the taxpayer or his or her spouse, who are eligible and any other person or persons, the amount shall be prorated to allow a freeze equivalent to the fractional share in the property of such taxpayer or spouse, and if such property is a multiple-family dwelling, such credit shall be prorated to reflect the fractional portion of such property occupied by the taxpayer, as provided by state statutes, as they may be amended. Persons not otherwise eligible shall not receive any tax credit. No tax credit shall be allowed hereunder if such dwelling is used for more than four (4) families.

(f) The tax freeze allowed hereunder shall not apply to any water rent, water use charge, water tax, sewer tax or sewer use charge which may be levied against real property in the City of Danbury.

(g) If a taxpayer has qualified and received tax relief under the provision of this section and subsequently becomes disqualified for any reason, he or she shall notify the tax assessor on or before February 1 of the year in which he or she becomes disqualified and his or her exemption shall cease for such fiscal year and such disqualification shall continue until he or she becomes eligible again and has filed a new application.

(h) In the event that the applicant shall make improvement to his property resulting in an increase in his assessment, an amount calculated by multiplying the increase in taxpayer's assessment attributable to the improvement by the mill rate in effect in the year such reassessment takes place shall be added to the freeze amount then applicable to obtain a revised freeze amount which will be the freeze amount for subsequent assessments years.

(i) If any person with respect to whom a claim for a tax freeze in accordance with this section has been approved for any assessment year transfers, assigns, grants or otherwise conveys in such assessment year the interest in real property to which such claim for tax freeze is related, regardless of whether such transfer, assignment, grant or conveyance is voluntary or involuntary, the amount of such tax freeze shall be a pro rata portion of the amount otherwise applicable in such assessment year to be determined by a fraction the numerator of which shall be the number of full months from the first day of October in such assessment year to the date of such conveyance and the denominator of which shall be twelve (12). If such conveyance occurs in the month of October, the grantor shall be disqualified for tax credit in such assessment year. The grantee shall be required within a period not exceeding ten (10) days immediately following the date of such conveyance to notify the assessor thereof, whereupon the assessor shall determine the amount of tax credit to which the grantor is entitled for such assessment year with respect to the interest in real property conveyed and notify the tax collector of the reduced amount of tax credit applicable to such interest. Upon receipt of such notice from the assessor, the tax collector shall, if such notice is received after the tax due date in the municipality, within ten (10) days thereafter mail or hand a bill to the grantee stating the additional amount of tax due as determined by the assessor. Such tax shall be due and payable and collectible as other property taxes and subject to the same liens and processes of collection, provided such tax shall be due and payable in an initial or single installment not sooner than thirty (30) days after the date such bill is mailed or handed to the grantee and in equal amounts in any remaining, regular installments as the same are due and payable.

(j) *Income.* The purpose of this article is to provide tax relief based upon the total income available to the applicant(s) in the home without regard to the exclusion of certain income or to certain deductions which might otherwise be allowable by the Internal Revenue Service Code of 1986, as may be amended from time to time. Such person(s) shall have individually, if unmarried, or jointly, if married, qualifying income in an amount not to exceed limits described below for the tax year ending immediately preceding the application for tax relief benefits. Accordingly, qualifying income is defined as set forth below.

(1) Income is the total income in the home shown on line 22 of the current IRS form 1040 [or line 15 of the current IRS form 1040A] plus nontaxable income received from Social Security plus federally tax exempt interest or other income and includes income paid to or given to the applicant or his or her eligible spouse by persons living in the home.

(2) In determining the total income in the home there shall be no allowance for: (a) business losses in excess of business gains [current IRS form 1040 Schedule C or Schedule C-EZ]; (b) losses in excess of gains on current IRS form 1040 Schedule E (page 1 line 17) (rental real estate, royalties, partnerships, S-corps, trusts, etc.); and/or (c) negative income on current IRS form line 21.

(3) The reference to current IRS forms shall include comparable data as contained in any revised IRS forms.

(4) Where an applicant does not file an IRS form, the information used to calculate total income in the home, shall be the information which would have been included on an IRS form, had one been filed, i.e., SSA-1099; 1099-Div.; 1099-Int.; 1099-R; etc.

(5) Each applicant shall sign an affidavit (Town application) and IRS Form 4506, allowing the Town to verify the prior two (2) years' tax returns, certifying that the information provided with respect to such applicants' total income in the home is true and accurate to the best of the knowledge of the applicant.

(6) In the event of a question with respect to income or a claimed exemption of income, or deduction from income, not specifically referred to in this section, the Assessor shall make a determination based upon the purposes of this article. Any dispute on this section, or any other section, may be appealed to the Board of Assessment Appeals.

(7) In any case where title to the real property is recorded in the name of the taxpayer or his spouse and/or any other person or persons, the tax relief granted herein shall be prorated to reflect the fractional share of such taxpayer or spouse; and, furthermore, if such property is occupied as a multiple-family dwelling, such relief shall be prorated to reflect the fractional portion of such property occupied by the taxpayer.

(8) Any person entitled to the tax relief pursuant to this article is required to file biennially for the benefit; however, if the taxpayer's income exceeds or changes under sub-section (j) hereof as set forth, said person shall be required to reapply.

(9) Such person/persons shall not have received qualifying income during the calendar year preceding the fiscal year for which tax relief is claimed in excess of fifty three thousand six hundred dollars (\$53,600.00) if single and sixty thousand eight hundred dollars (\$60,800.00) if married. The freeze amount will be calculated based on taxes paid for the October 1, 2011 grand list.

(k) *Sunset.* This program is intended to sunset with the filing of the October 1, 2020 Grand List, unless specifically renewed by the adoption of an amended Ordinance Sec. 44-53.



4

CITY OF DANBURY

155 DEER HILL AVENUE

DANBURY, CONNECTICUT 06810

DAVID W. ST. HILAIRE
DIRECTOR OF FINANCE

(203) 797-4652
FAX: (203) 796-1526

M E M O R A N D U M

DATE: April 6, 2021
TO: Hon. Joseph M. Cavo via the City Council
FROM: David W. St. Hilaire, Director of Finance *DW*
RE: **DOWNTOWN SPECIAL SERVICES DISTRICT**

Attached you will find a resolution establishing the annual tax levy for the Downtown Special Services District in accordance with the provisions of Section 19B-7 of the Danbury Code of Ordinances. This proposed levy upon taxable interests in real property located within the district is derived from the annual district budget adopted pursuant to state and local law.

In accordance with Section 7-339(r) of the Connecticut General Statutes, it is the obligation of the City Council to impose the recommended levy as a municipal levy for the benefit of the district. Please consider the adoption of this resolution in the usual fashion.

Please feel free to contact me should you require any additional information. Thank you.



RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____A.D. 2021

RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

**A RESOLUTION LEVYING THE PROPERTY TAX FOR THE DANBURY DOWNTOWN
SPECIAL SERVICES DISTRICT FOR THE FISCAL YEAR BEGINNING
JULY 1, 2021 AND ENDING JUNE 30, 2022**

SECTION 1. The sum of Three Hundred Thirty Nine Thousand Nine Hundred Forty Five Dollars and 00/100 (\$339,945.00) representing the gross appropriation for the City of Danbury Downtown Special Services District for the fiscal year beginning July 1, 2021 and ending June 30, 2022, minus indirect revenues of \$ -0- and minus estimated available surplus of \$ -0- is hereby levied and assessed on all taxable interests in real property located within the City of Danbury Downtown Special Services District as set forth on the new tax assessment dated October 1, 2020 based upon a total net assessment of **147,162,270**.

SECTION 2. Accordingly, the General Fund tax rate for the fiscal year beginning July 1, 2021 and ending June 30, 2022 with respect to said property interests within said District shall be as follows:

TAX RATE: 2.31 MILLS

SECTION 3. The taxes levied and assessed as herein provided shall be due and payable in quarterly equal installments on July 1, 2021, October 1, 2021, January 1, 2022, and April 1, 2022 except for taxes not in excess of One Hundred Dollars (\$100.00) which taxes shall be paid on July 1, 2021, in accordance with the General Statutes of the State of Connecticut, unless said date shall have lapsed before the effective date of this resolution in which case the Tax Collector shall fix the date as if said date had not been fixed herein as provided by law.

SECTION 4. The Tax Collector shall cause the said taxes above levied and assessed to be inserted on the tax rolls for the fiscal year beginning on July 1, 2021 and ending June 30, 2022.



March 24, 2021

David St. Hilaire, Director of Finance
City of Danbury
155 Deer Hill Avenue
Danbury, CT 06810

Dear Mr. St. Hilaire,

On March 24, 2021, the Annual Meeting of the Danbury Downtown Special Services District was held via Zoom web conferencing.

At this meeting, the property owners within The District approved the FY 2021-2022 budget and set the mill rate at **2.31** mills for property within The District.

Please find enclosed a copy of the annual meeting minutes, approved FY 2021-2022 budget, and the DSSD FY 2019-2020 audit.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "AW", with a large, stylized loop at the end.

Angela Wong
Executive Director
CityCenter Danbury

DANBURY DOWNTOWN SPECIAL SERVICES DISTRICT

Budget Proposal for Fiscal Year 2021-2022

	2020-2021 Budget	Proposed 2021-2022 Budget	\$ Change in Proposed Budget
<u>Income</u>			
Property Taxes	\$339,583	\$339,945	\$362
Total Income	\$339,583	\$339,945	\$362
<u>Expenses</u>			
Accounting / Audit	\$4,250	\$5,000	\$750
Advertising/Gen Dev/PR	15,000	20,000	5,000
Ambassador Program	32,000	60,000	28,000
Arts and Aesthetics	30,000	40,000	10,000
Bookkeeping	19,200	18,000	(1,200)
City of Danbury - Accounting	2,500	2,500	0
Conferences	2,000	2,000	0
Dues & Subscriptions	2,000	2,000	0
Insurance	13,000	12,300	(700)
Maintenance Fuel & Supplies	1,400	800	(600)
Office Equipment	5,600	5,200	(400)
Office Cleaning	3,000	2,800	(200)
Office Supplies	5,100	5,100	0
Parking	1,900	1,900	0
Payroll Taxes	15,343	10,580	(4,763)
Professional Services	1,500	1,500	0
Rent -Trash Expense	16,000	15,400	(600)
Salary - Clerical	7,000	0	(7,000)
Salary - Maintenance	5,500	5,000	(500)
Salary - Director	84,000	77,250	(6,750)
Salary - Marketing Director	0	50,000	50,000
Salary - PT Marketing Coordinator	30,000	0	(30,000)
Salary - Special Events Develop	54,000	0	(54,000)
Telephone & Internet	3,500	3,400	(100)
Utilities	4,000	4,000	0
Long Term Capital Reserves	0	4,000	4,000
Total Expenses	\$357,793	\$348,730	(\$9,063)
Net Income	(\$18,210)	(\$8,785)	\$9,425



**DANBURY DOWNTOWN SPECIAL SERVICES DISTRICT (DDSSD)
2021 ANNUAL PROPERTY OWNERS' MEETING
Tuesday, March 23, 2021 / 5:30 p.m.
via Zoom Conference Call**

CALL TO ORDER – Alicia Ghio, Board Chairman, called the meeting to order at 5:37 pm

Present: Alicia Ghio, Perry Salvagne, Art Stueck, Marie Miszewski, Jessica Granger, Robert Steinberg, Pat Kelley, Paul Steinmetz, Debbie Pacific, Dan Bertram, Joe DaSilva, Mark Nolan, Jim Nolan, Tom Devine, David & Stephanie Rogers, John Lynn, Andrea Gartner, Joseph Heyman, Mayor Joe Cavo, Dean Esposito, Chief Patrick Ridenhour, Sgt. James Antonelli, Sharon Calitro, Angela Wong

MINUTES – Motion made by Marie Miszewski to approve 2020 meeting minutes. Seconded by Joseph Heyman. All in favor.

PRESENTATIONS –

Mayor Joe Cavo presented updates from the City of Danbury

- The State of Connecticut will likely reach 300,000 total cases of COVID-19 by the end of the week. Danbury has sadly had 180 COVID-related deaths so far, and the number of cases is once again on the rise. Please continue to take precautions.
 - Earlier this year, the City of Danbury was able to provide a vaccine clinic at Rogers Park cafeteria to inoculate many health care workers and first responders. The site at Danbury Fair Mall will hopefully be able to vaccinate 1,000 people a day, 7 days a week.
 - City Hall opened on March 15th on a hybrid model for staff, and open to the public by appointment. Danbury Library opened on March 22nd.
 - The City is currently working on their budget, which will be presented to City Council on April 6th. Although revenue has decreased, they are expecting a flat budget year.
 - Octagon House has been secured, but not likely to have progress soon.
 - There are two Façade Grants under contract right now, and another ready to submit.
 - Secured funding for self-service kiosks for Patriot and Bardo Garages in the '21-22 Budget.
 - Bids were completed for the Phase 1 Sidewalk Improvement Project, and a bidder was selected. Waiting for authorization from the State to approve the award. Hoping for shovels in the ground by April.
 - Study of the Maybrook rail line is in progress.
- Sharon Calitro also emphasized that they are just waiting for authorization from the State to award the bid because it is partially grant funded. They will ensure that the businesses can stay open and accessible during construction. Phase 1 includes Delay St. from Liberty St. to Railroad Pl., along Railroad Pl. / Ives St. / National Pl., and the entire CityCenter Green. Parking meters will be taken out and replaced with solar kiosks. The project is slated for 120 days.
 - RFP for the lot at the corner of Liberty and Main St. is almost ready to go out for bid.
 - Andrea Gartner asked when Phase 2 will start and what will it encompass. Sharon Calitro explained that the City will have to go through a different encroachment review process with District 4; the hope is to get through the process this year for construction to begin next year. Phase 2 will go from CIFIC & St. Peter's, north on Main St. past Mothership Café and Kennedy Flats to connect to streetscape that was previously completed, and also include parts of Elm St., Liberty St., White St., Patriot Dr., Independence Way, and Post Office Walk. The map and plans can be found on the Planning Department's website.

- Jim Nolan voiced concerns for property owners regarding the loss of commercial real estate due to more remote work post-COVID pandemic. He referred to two recent emails sent to City officials with questions and concerns about a large, regional homeless shelter run by an out-of-town nonprofit. Alicia Ghio summarized that there are large concerns from the taxpayers since they do not know the details surrounding the setup, they are worried that it could be hugely impactful to the community in a negative way, and would the City consider doing a needs study so we can better understand infrastructure cost.
- Mayor Joe Cavo gave an overview describing how the State of Connecticut partnered with Pacific House to create the Super 8 shelter given the circumstances due to the COVID-19 pandemic. The hotel will be bought by the State, and will offer an emergency shelter, along with transitional and permanent housing. Pacific House will offer services to help the homeless transition to a more dignified life.
- There was continued discussion and clarifying questions about details surrounding the Super 8 shelter between Mayor Cavo, Robert Steinberg, and Perry Salvagne.

Angela Wong, Executive Director, presented the CityCenter Report & Vision

- In 2020, CityCenter prioritized the dissemination of information during the COVID-19 lockdown and subsequent months of re-opening by forwarding relevant grant and PPP info, updates on rules and regulations, and helping to market the businesses that were open.
- A “Downtown Strong” marketing campaign was started with two videos circulated for “Eat Local” and “Shop Local” which reached over 45,000 viewers on social media. Plans for a third video “Enjoy Local” is in progress.
- Early in the pandemic we created a Downtown Dining Passport to encourage the community to order locally and support our downtown restaurants.
- CityCenter also helped pay for designated parking spaces around the district for easier takeout.
- The Ambassador Program was started, which was a timely investment. Economic hardships due to the COVID-19 pandemic coupled with less foot accentuated troubling behaviors. A local security group, T.M.I., was hired to pilot this program, and things seem to be going well with this setup.
- The 2020 events calendar was canceled due to COVID, except for the Danbury Farmers’ Market which was considered an essential service and had its full season at the Danbury Railway Museum.
- CityCenter’s website was revamped and is now more visitor and business friendly.
- Some exciting developments:
 - BRT construction at the old News-Times site is coming along; currently building the fourth floor.
 - During the pandemic, we saw businesses open downtown including: Butterfly Salon & Spa, GMC Business Services, Glorificai Bookstore, and Gomez Bakery.
 - Empire of the Incas took advantage of the Façade Improvement Grant, and also redid their interior space.
 - Hat City Market expanded into the space next door, and will be renamed Matteo’s Multicultural Market.
 - Anna Llanos from Mothership Bakery & Café opened ItadakiMÁS, a sushirrito and sushi bowl place, at the former Subway location.
- In 2021, we will continue our increased marketing efforts for both the downtown businesses and our own organization. COVID-19 accentuated the need for CityCenter to be a supportive resource to residents and businesses.
- Smaller COVID-safe events are being planned to involve, integrate, and highlight our small businesses. This includes month-long restaurant “crawls” to highlight diverse cultural food options and working with an organization called BlueHaus Group to create pop-up concepts on Friday nights during the summer that will activate multiple spaces. Hopefully other community events will be allowed by fall or winter this year.
- The Arts & Aesthetics Committee is currently looking into places for potential murals, placing more planter baskets, and researching other beautification projects.
- The Ambassador Program will continue with increased hours in the warmer months. We have added a bilingual Ambassador.
- Increasing outreach to local businesses by hiring some bilingual help. The goal is to build better connections with the people in our district because they are the ones who chose to start their business here, and we need to help them thrive.
- Another post-COVID priority is to make outdoor dining a permanent sight on Main Street.

- We will keep facilitating an environment that encourages new development. It is important that we work together as a community to maintain and boost the quality of life and perception in the downtown. We have shown strength, resilience, and perseverance, and that momentum will continue.

ANNUAL FINANCIAL REPORT

- Art Stueck II, Treasurer, presented the status of our current fiscal year plus a snapshot of CityCenter's evolving history of expenditures (attached). Over time, the organization has been using a smaller percentage of the budget on staff and more on providing things for the district, such as safety/security, cleanliness, beautification, and lighting.
- Art Stueck also presented the proposed fiscal year 2021-2022 budget for consideration.

Motion made by Robert Steinberg to approve the 2021-2022 DDSSD Budget. Seconded by Perry Salvage. All in favor.

ELECTION OF SPECIAL SERVICE DISTRICT COMMISSIONERS

- Marie Miszewski, Perry Salvage, Robert Steinberg, and Anna Llanos are up for re-election.
- Motion to approve the slate made by Art Stueck. Pat Kelley seconded the motion. All in favor.

PROPERTY OWNER DISCUSSION

- Art Stueck thanked Angela Wong for shepherding CityCenter through this difficult time with changes to the organization and staff turnover. He also thanked Alicia Ghio for listening to property owners and taxpayers, while guiding the organization in a wise direction and helping CityCenter evolve. Perry Salvagne echoed his statement.

ADJOURN – Marie Miszewski made a motion to adjourn the meeting. Robert Steinberg seconded the motion. All in favor.

Meeting adjourned at 6:58 pm.

Respectfully submitted,
Angela Wong, CityCenter Danbury

Danbury Downtown Special Services District

Current status

	<u>Jan-21</u>	<u>Projected</u>
Income	\$342,300	\$342,300
Expenses	158,103	271,034
NI	<u>\$184,197</u>	<u>\$71,266</u>
Cash	\$17,048	
Fund Balance	284,738	
Total	<u>\$301,786</u>	
Cash other entities	140,882	DDC, CCE
Total	<u>442,668</u>	
Required reserves	84,896	*per our bylaws, relatively new, three months revenue
Net	<u>357,772</u>	** within this number city also holding bandshell reserves (approx \$16K)

History - cash/fund balance

	<u>Change 1/2021</u>			
2004/2005	\$72,738	\$285,034		
2009/2010	\$78,176	\$279,596		
2014/2015	\$137,819	\$219,953		
2019/2020	\$244,985	\$112,787		
	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>2022</u>
Taxes	\$135,989	\$181,269	\$259,528	\$339,945
Staff/Outsourced	\$126,361	\$134,869	\$179,246	\$167,650
As a % of taxes	93%	74%	69%	49%
Expenses	\$40,295	\$63,524	\$80,891	\$140,785
	30%	35%	31%	41%
Bandshell Reserve	0	0	0	\$4,000
Arts and Aesthetics	0	0	0	\$40,000
Ambassadors	0	0	0	\$60,000
Expenses less reserves/new programs				\$36,785
				11%

Danbury Downtown District
Financial Statements with Independent Auditor's Report
Year Ended June 30, 2020

Danbury Downtown District
Table of Contents
June 30, 2020

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	3
Basic Financial Statements:	
Statement of Net Position.....	8
Statement of Activities.....	9
Governmental Fund Balance Sheet.....	10
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance.....	11
Notes to the Financial Statements	13
Required Supplemental Information:	
Budgetary Comparison Schedule—General Fund	21
Notes to Required Supplemental Information	22
Statistical Section (Unaudited):	
Property Tax Levies and Collections – Last Ten Fiscal Years	24

Independent Auditor's Report

The Board of Commissioners
Danbury Downtown District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, and the major fund of the Danbury Downtown District (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and the major fund of the District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 21-23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other information, such as the statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Nanavaty, Davenport, Studley & White, LLP

March 20, 2021

Management's Discussion and Analysis

Danbury Downtown District Management's Discussion and Analysis (Unaudited)

Our discussion and analysis of the Danbury Downtown District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the District's basic financial statements, which begin on page 8.

THE DISTRICT'S FINANCIAL HIGHLIGHTS

- The District's net position increased by \$34,890 as a result of this year's operations. The component units' net position increased by \$41,523 in the current year.
- Total cost of all of the District's activities including component units was \$630,796 in 2020 compared to \$631,672 in 2019.
- The District's component units are CityCenter Events and the Danbury Downtown Council.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 8 and 9) provide information about the activities of the District as a whole and represent a longer-term view of the District's finances. Fund financial statements begin on page 10. For governmental activities like the District's, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing line expense information about the District's general fund programs.

The Statement of Net Position and the Statement of Activities

Our analysis of the District begins on page 8. One of the most important questions asked about the District's finances is, "Is the District better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the District's net position and changes in it. You can think of the District's net position as the difference between assets (what the District owns), and liabilities (what the District owes), as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You should also consider non-financial factors that affect the District.

Danbury Downtown District
Management's Discussion and Analysis (Unaudited)

USING THIS ANNUAL REPORT (continued)

The Statement of Net Position and the Statement of Activities present the District's activities as follows:

- **Governmental activities:** all of the District's services provided to the public are reported here, including the development of the downtown business area and general administration. Property taxes, grants, and contributions fund most of these activities.
- **Component Units:** nonprofit organizations established by the District to operate special events and programs for the benefit of the District and its citizens. Grants, contributions, and fees fund most of these activities.

Reporting the District's Fund Financial Statements

The District uses governmental funds to report its operations. The fund is defined as follows:

Governmental funds: the basic services that the District provides are reported in the general fund. The focus is on how money flows into and out of the general fund and the balance left at year-end that is available for spending. The general fund uses the modified accrual basis of accounting, which measures cash and all financial assets that can be readily converted into cash. Governmental funds statements provide a detailed short-term view of the District's general governmental operations and the basic services that it provides. The information presented in the governmental funds helps readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The governmental activities presented in the combined Governmental Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances is reconciled to the government-wide data presented in the Statement of Net Position and Statement of Activities for the governmental activities and component units.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 13-20 of this report.

Required Supplemental Information: In addition to the basic financial statements and accompanying notes, this report also presents a Budgetary Comparison Schedule for the General Fund that can be found on pages 21-23 of this report.

Statistical Section: This report also presents a Property Tax Levies and Collections Report for the last ten fiscal years that can be found on page 24 of this report.

Danbury Downtown District
Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT

The following tables present condensed information about the Governmental Activities' net assets, revenues and expenses for the years ended June 30:

	2020	2019
Current assets	\$ 236,689	\$ 184,862
Capital assets, less depreciation	55,647	65,379
Total assets	292,336	250,241
Current liabilities	22,273	15,068
Net position:		
Invested in capital assets	55,647	65,379
Unrestricted	214,416	169,794
Total net position	\$ 270,063	\$ 235,173

Net position of the governmental activities increased \$34,890 or 14.8% (\$270,063 in 2020 compared to \$235,173 in 2019). Unrestricted net position, the part that can be used to finance day-to-day operations without constraints, increased \$44,622 or 26.3% (\$214,416 in 2020 compared to \$169,794 in 2019)

	2020	2019
Revenues:		
Property taxes	\$ 344,289	\$ 336,137
Investment earnings	1,995	3,353
Miscellaneous revenues	-	2,003
Transfer	-	(8,000)
Total revenues	346,284	333,493
Expenses:		
Wages and taxes	180,529	206,658
Arts and aesthetics	16,291	45,589
Ambassador expense	15,720	-
Professional services	3,372	2,653
Occupancy	39,892	40,746
Advertising	10,901	11,157
Improvements and equipment	5,304	10,897
Bookkeeping	17,151	11,815
Administrative	12,502	18,693
Depreciation	9,732	9,976
Total expenses	311,394	358,184
Excess of revenues over (under) expenses	34,890	(24,691)
Net position, beginning of year	235,173	259,864
Net position, end of year	\$ 270,063	\$ 235,173

Danbury Downtown District
Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

General revenues consist of property taxes and other miscellaneous income. Property taxes have increased over the prior year due to an increase in the assessed values of real estate and a slightly lower mill rate. The District expenses are incurred for general government purposes. General government is defined as the development of the downtown area and the general and administrative expenses incurred by the District to provide services to the District's citizens. The District employs an Executive Director, administrative and program staff, and maintenance support. Wages and taxes are the largest cost incurred by the District and program related costs are the largest expense of the component units. Overall, expenses were slightly lower than the prior year.

The CityCenter Events and Danbury Downtown Council are component units of the District. The component unit's expenses in 2020 were \$265,109 incurred for program and \$54,293 for advertising and administrative purposes. The component unit's programs consist of the Summertime Festival, the Taste of Danbury, Famer's Market Program for Seniors, and the Light the Lights. These activities are financed by local merchant contributions and grants of \$360,925 in 2020.

Budgetary Highlights

The District adopts an annual budget for the general fund in accordance with the Code of Ordinances of the City of Danbury. In fiscal year 2019-20, the District adopted a budget with a total of \$343,174 in expenses and property tax revenues. The mill rate was passed at 2.31 mills. The total expenditures were amended to \$363,174. This included \$20,000 in planned use of fund balance. Actual property tax revenues were lower than budget by \$3,024. Property tax revenues were budgeted to be \$343,174. Actual expenses were \$61,512 less than the budget in the aggregate.

Financial Ratios

The financial ratios below should be used to assess the financial stability of the District's General Fund over an extended period of time. The ratios of Working Capital and Days in Cash demonstrate the continuing ability to finance operations with cash. The stability of the Current Ratio demonstrates the fact that the District has not financed its Working Capital with debt.

"Working Capital" is the amount by which current assets exceed current liabilities. The "Current Ratio" which compares current assets to current liabilities, is an indicator of the ability to pay current obligations.

	2020	2019	2018	2017	2016
Working Capital	\$ 214,416	\$ 169,794	\$ 186,898	\$ 120,450	\$ 123,500
Current Ratio	10.63	12.27	2.94	7.53	7.43

Danbury Downtown District
Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

“Days in Cash” represents the number of days normal operations could continue with no future revenue collection or cash inflow.

	2020	2019	2018	2017	2016
Days in Cash	241	197	196	160	190

CAPITAL ASSETS AND DEPRECIATION

A summary of changes in capital assets of the District is follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Bandshell	\$ 100,618	\$ -	\$ -	\$ 100,618
Computer equipment	3,520	-	-	3,520
Furniture and fixtures	14,198	-	-	14,198
	118,336	-	-	118,336
Accumulated Depreciation	(52,957)	-	(9,732)	(62,689)
	\$ 65,379	\$ -	\$ (9,732)	\$ 55,647

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board has approved a total budget of \$357,793 for fiscal year 2020-21. The mill rate for the general fund's grand list of October 1, 2019 is 2.31 mills. Revenues are expected to be \$339,583 and will not be adequate to finance the current year expenditures. A designation of fund balance in the amount of \$18,210 was approved.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide the City of Danbury and its citizens, and the District and its taxpayers, with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District offices at 268 Main Street, Danbury, Connecticut 06810.

Basic Financial Statements

Danbury Downtown District
Statement of Net Position
As of June 30, 2020

	Governmental Activities	Component Units (Danbury Downtown Council & CityCenter) Events)
Assets		
Cash	\$ 43,401	\$ 171,451
Property taxes receivable	15,786	-
Funds collected by the City of Danbury on behalf of the District	177,252	-
Prepaid assets and other	250	-
Capital assets, net of accumulated depreciation	55,647	-
Total assets	<u>\$ 292,336</u>	<u>\$ 171,451</u>
Liabilities:		
Accounts payable	\$ 15,466	\$ 10,142
Accrued payroll taxes	4,995	-
Prepaid property taxes	1,812	10,700
Total liabilities	<u>22,273</u>	<u>20,842</u>
Net Position:		
Invested in capital assets	55,647	-
Unrestricted	214,416	150,609
Total net position	<u>270,063</u>	<u>150,609</u>
	<u>\$ 292,336</u>	<u>\$ 171,451</u>

See accompanying notes to the basic financial statements.

Danbury Downtown District
Statement of Activities
Year Ended June 30, 2020

	Program Activities	Component Unit		
		(Danbury Downtown Council & City-Center Events)		
		Expenses	Expenses	Operating Grants and Contributions Total
Governmental activities:				
General government		\$ (311,394)	\$ (319,402)	\$ 303,804 \$ (15,598)
Total governmental activities		(311,394)	(319,402)	303,804 (15,598)
General revenues:				
Property taxes		344,289		-
Investment earnings		1,995		-
Miscellaneous		-		57,121
Total general revenues		346,284		57,121
Change in net position		34,890		41,523
Net Position at beginning of year		235,173		109,086
Net Position at end of year		<u>\$ 270,063</u>		<u>\$ 150,609</u>

See accompanying notes to the basic financial statements.

Danbury Downtown District
Governmental Fund Balance Sheet
 As of June 30, 2020

	General Fund	Component Units	
		(Danbury Downtown Council)	(CityCenter Events)
Assets			
Cash	\$ 43,401	\$ 105,547	\$ 65,904
Property taxes receivable	15,786	-	-
Funds collected by the City of Danbury on behalf of the District	177,252	-	-
Prepaid assets and other	250	-	-
Total assets	<u>\$ 236,689</u>	<u>\$ 105,547</u>	<u>\$ 65,904</u>
Liabilities:			
Accounts payable	\$ 15,466	\$ 10,142	-
Accrued payroll and taxes	4,995	-	-
Prepaid property taxes	1,812	-	10,700
Total liabilities	<u>22,273</u>	<u>10,142</u>	<u>10,700</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	12,832	-	-
Total deferred inflows of resources	<u>12,832</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Unassigned	201,584	95,405	55,204
Total fund balance	<u>201,584</u>	<u>95,405</u>	<u>55,204</u>
Total liabilities and fund balance	<u>\$ 236,689</u>	<u>\$ 105,547</u>	<u>\$ 65,904</u>
Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position:			
Total fund balance of governmental funds	\$ 201,584		
Add: Capital assets, net of depreciation	55,647		
Property tax revenues collected after year-end but not soon enough to pay for the current period's expenditures	12,832		
Total net position of governmental activities	<u>\$ 270,063</u>		

See accompanying notes to the basic financial statements.

Danbury Downtown District
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2020

	General Fund	Component Units (Danbury Downtown Council) (CityCenter Events)	
REVENUES:			
Property taxes	\$ 340,150	\$ -	\$ -
Operating grants and contributions	-	139,106	164,698
Miscellaneous revenues	1,995	16,268	40,853
Total revenues	342,145	155,374	205,551
EXPENDITURES:			
General Government:			
Programs	-	122,385	142,724
Salary - director	75,000	-	-
Salary - special events/development	53,621	-	-
Salary - clerical	9,714	-	-
Wages - project coordinator	23,187	-	-
Wages - maintenance	4,696	-	-
Office improvements	195	-	-
Ambassador expense	15,720	-	-
Office equipment	5,109	-	-
Payroll taxes	14,311	-	-
Advertising	10,901	20	10,065
Insurance	14,584	-	2,146
Bookkeeping	17,151	-	-
Professional services	872	21,945	4,432
Rent	13,620	-	-
Utilities	3,499	-	-
Accounting/ Audit	5,700	55	-
Contract services	2,500	-	2,623
Office supplies	3,829	1,325	4,106
Arts and aesthetics	16,291	25	5,762
Office cleaning	2,600	-	-
Parking and transportation	1,505	-	-
Conferences	147	-	-
Maintenance supplies	879	175	-
Telephone/internet	3,205	-	-
Postage	-	-	1,614
Dues and subscriptions	1,891	-	-
Payroll processing fees	712	-	-
Penalties and interest	223	-	-
Total expenditures	301,662	145,930	173,472

See accompanying notes to the basic financial statements.

Danbury Downtown District
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances
(continued)
Year Ended June 30, 2020

	General Fund	Component Units (Danbury Downtown Council)	(CityCenter Events)
Changes in fund balances	40,483	9,444	32,079
Fund Balances:			
Beginning of year	161,101	85,961	23,125
End of year	<u>\$ 201,584</u>	<u>\$ 95,405</u>	<u>\$ 55,204</u>

Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities:

Net change in fund balance - governmental funds	\$ 40,483
Add: Prior year deferred inflows that provide current financial resources	4,139
Less: Depreciation expense on capital assets	(9,732)
Change in net position of governmental activities	<u>\$ 34,890</u>

See accompanying notes to the basic financial statements.

Danbury Downtown District
Notes to the Financial Statements
June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial statements of the Danbury Downtown District (the "District") are presented in accordance with generally accepted accounting principles (GAAP). The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The District is a municipal corporation governed by an elected twelve-member Board of Commissioners.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District reports the Danbury Downtown Council and CityCenter Events as component units.

Component Units

The Danbury Downtown Council ("Council") is a nonprofit entity whose purpose is to operate special events and programs for the benefit of the District and its citizens. The Executive Committee of the District is responsible for the general operations of the Council.

CityCenter Events ("CityCenter") is a nonprofit entity whose purpose is to operate special events and programs for the benefit of the District and its citizens. The Executive Committee of the District is responsible for the general operations of CityCenter.

As required by generally accepted accounting principles, component units that use other reporting models should be incorporated into the reporting entity's financial statements in the same manner as governmental component units. Therefore, certain minor presentation changes have been made to the Council's financial statements in order to conform to the District's financial statements. Additionally, the Council and CityCenter operate on fiscal years that are different from the District. The Council's fiscal year ends on July 31 and CityCenter's fiscal year ends on March 31. This is within at least three months of the District's year-end and therefore, the Council's and CityCenter's operations as of their fiscal year-end have been incorporated into this report.

Danbury Downtown District
Notes to the Financial Statements (continued)
June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers that directly benefit from the services or privileges provided by a given program and 2) operating or capital grants, contributions and reimbursements that are restricted to meeting the operational or capital requirements of a program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The major individual governmental fund of the District is the general fund and it has been reported as a separate column in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, under accrual accounting.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District uses only governmental funds.

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District reports the following major governmental fund:

Danbury Downtown District
Notes to the Financial Statements (continued)
June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

General fund is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The financial statements of the District are presented in accordance with generally accepted accounting principles (GAAP). The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanations, including required disclosures, of the District's financial activities for the fiscal year ended June 30, 2020.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Expenses/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Danbury Downtown District
Notes to the Financial Statements (continued)
June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

The District's cash is considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All cash is insured or collateralized with securities held by the pledging financial institution segregated from its other assets, in accordance with State Statutes.

Receivables

Receivables at June 30, 2020 consist of accounts receivable for Property Taxes. All accounts receivable is deemed collectible in full, and therefore no allowance for doubtful accounts exists.

Capital Assets and Depreciation

Capital assets consist of office furniture, equipment and Bandshell related equipment and are reported in the governmental-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets, if any, are valued at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets range from 5 to 15 years. Maintenance and repairs are recorded as expenses when incurred.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The District reports unavailable revenue from property taxes and assessments in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position is the net effect of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, are capital assets less depreciation and related debt. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions, by other governments, creditors, grantors, or laws or regulations of other governments. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Danbury Downtown District
Notes to the Financial Statements (continued)
June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be reported using the fund balance categories listed below:

1. *Non-spendable* - fund balance that is either (a) not in spendable form, or (b) legally or contractually required to remain intact.
2. *Restricted* - fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation
3. *Committed* - fund balance that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority)
4. *Assigned* - fund balance that is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed
5. *Unassigned* - fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

Adjustments to reconcile Governmental Fund Financial Statements to Governmental Activities

The fund financial statements have been adjusted as follows: adjustments of \$4,139 to recognize the net adjustment to deferred inflows of resources representing property tax revenues for fund accounting purposes; \$55,647 and \$9,732 to record the net capital assets and the related depreciation expense in accordance with Governmental Accounting Standard No. 34.

Subsequent Events

Management has evaluated transactions and events that occurred through March 20, 2021, the date that these financial statements were available to be issued, for recognition and/or disclosure in these financial statements. There are no subsequent events that require disclosure.

Danbury Downtown District
Notes to the Financial Statements (continued)
June 30, 2020

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District follows these procedures for establishing the budgetary data reflected in the financial statements for the General Fund:

1. Within one year from the previous year's property owners meeting, the District adopts an annual budget at a general meeting of property owners, present or by proxy, and files the budget with the Director of Finance of the City of Danbury.
2. The Board of Commissioners of the District shall recommend to the Common Council of the City of Danbury, on or before April 1 of each year, a levy upon taxable interests in real property within such district.
3. In accordance with the Connecticut General Statutes, it shall be the obligation of the Common Council to impose the recommended levy as a municipal levy and such levy shall be in addition to the regular municipal levy and it shall be the obligation of the City of Danbury to collect such levy for the benefit of the District.
4. The Board of Commissioners is authorized to transfer budget amounts within line items as well as any supplemental appropriations that amend the total expenditures.
5. Formal budgetary accounting is employed as a management control within the District for the General Fund. An annual operating budget is adopted each fiscal year in accordance with the City of Danbury Code of Ordinances and amended as required. The General Fund budget is adopted on a modified accrual basis of accounting (GAAP).
6. All unencumbered appropriations lapse at the end of each fiscal year.
7. Encumbrance accounting, under which purchase orders, contracts, and other commitments or the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. There were no encumbrances outstanding at year-end.

Danbury Downtown District
Notes to the Financial Statements (continued)
June 30, 2020

NOTE 3 - DEPOSITS

At June 30, 2020 the carrying amount of the District's deposits was \$43,401 and the bank balance of the District's deposits was \$43,719. At year-end, the carrying amount of the component unit's deposits was \$171,451 and the bank balance of the component unit's deposits was \$185,023. All of the deposits are with two local financial institutions.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio. Municipal deposits that exceed the coverage of the Federal Depository Insurance are collateralized by amounts held by the pledging bank's trust department. At June 30, 2020, all of the District's and the Component Unit's deposits with the financial institutions were covered by Federal Depository Insurance.

NOTE 4 - RELATED PARTY TRANSACTIONS

Funds collected by the City of Danbury on behalf of the District represent current property taxes collected in accordance with state statutes, and other funds of the District, collected and held by the City of Danbury. The District requests these funds on an as needed basis.

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

A summary of changes in capital assets of the District is follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Bandshell	\$ 100,618	\$ -	\$ -	\$ 100,618
Computer equipment	3,520	-	-	3,520
Furniture and fixtures	14,198	-	-	14,198
	118,336	-	-	118,336
Accumulated Depreciation	(52,957)	-	(9,732)	(62,689)
	\$ 65,379	\$ -	\$ (9,732)	\$ 55,647

Danbury Downtown District
Notes to the Financial Statements (continued)
June 30, 2020

NOTE 6 - PROPERTY TAX REVENUES

Property taxes are levied each July based on the assessed valuation of property as of the proceeding October 1 for all real property located within the District boundaries. Assessed values are established by the Assessor of the City of Danbury at 70% of appraised market value based on the most recent revaluation of the grand list. Taxes are due in four installments on the first of July, October, January, and April. Liens are recorded during the month of June.

Property taxes collected in advance are reported in the Statement of Net Position as prepaid property tax revenue and property taxes due and not collected within 60 days following the end of the fiscal year are reported in the governmental funds balance sheet as deferred inflows of resources. There is no allowance for uncollectible accounts.

NOTE 7 - COMMITMENTS

Rent expense for the year ended June 30, 2020 was \$13,620. This amount includes refuse collection. The lease has been operating on a month to month basis since the term expired in 2016. Rent is \$1,135 per month.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to public officials, torts, damage to, and theft or destruction of assets, and errors and omissions. The District purchases commercial insurance coverage for all risks of loss. The District has had no significant reduction in the coverage on the above insurances. The District has had no settlements on any insurance coverage in the current year or prior years.

The recent COVID-19 outbreak has caused economic interruptions through mandated and voluntary closings of businesses and organizations throughout the United States. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on District taxpayers, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact the District's financial position and changes in net position is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTE 9 - FUND BALANCE POLICY

In August 2019, the District passed a fund balance policy to govern the use and maintenance of its general fund balance. The District established a goal to achieve and maintain a fund balance at its fiscal year-end of not less than 20% of the fiscal year-end's budgeted expenses. If the general fund's fund balance falls below the goal, the District shall develop a restoration plan to achieve and maintain the minimum fund balance. The Board may consider using the fund balance, to the extent that it exceeds the minimum fund balance, for unplanned expenses or capital improvements to the District. In order to draw from the fund balance, it will require a majority approval of the Board of the District.

Required Supplemental Information

Danbury Downtown District
Budgetary Comparison Schedule---General Fund
Year Ended June 30, 2020

	Original Budget	Amendments	Final Budget	Actual	Favorable (Unfavorable)
REVENUES					
Property taxes	\$ 343,174	\$ -	\$ 343,174	340,150	\$ (3,024)
Miscellaneous revenues	-	-	-	1,995	1,995
Total revenues	<u>343,174</u>	<u>-</u>	<u>343,174</u>	<u>342,145</u>	<u>(1,029)</u>
EXPENDITURES					
Salary - director	82,000	-	82,000	75,000	7,000
Salary - special events/development	52,788	-	52,788	53,621	(833)
Salary - clerical	28,007	-	28,007	9,714	18,293
Wages - project coordinator	8,400	-	8,400	23,187	(14,787)
Wages - maintenance	3,600	-	3,600	4,696	(1,096)
Office improvements	6,000	-	6,000	195	5,805
Ambassador expense	-	20,000	20,000	15,720	4,280
Office equipment	6,700	-	6,700	5,109	1,591
Payroll taxes	17,479	-	17,479	14,311	3,168
Advertising	18,000	-	18,000	10,901	7,099
Insurance	14,500	-	14,500	14,584	(84)
Bookkeeping	16,800	-	16,800	17,151	(351)
Professional services	2,000	-	2,000	872	1,128
Rent	14,000	-	14,000	13,620	380
Utilities	5,100	-	5,100	3,499	1,601
Accounting/Audit	5,000	-	5,000	5,700	(700)
Contract services	2,500	-	2,500	2,500	-
Office supplies	6,200	-	6,200	3,829	2,371
Arts and acsthetics	35,000	-	35,000	16,291	18,709
Office cleaning	3,200	-	3,200	2,600	600
Parking and transportation	1,600	-	1,600	1,505	95
Conferences	2,000	-	2,000	147	1,853
Maintenance supplies	3,500	-	3,500	879	2,621
Payroll processing fees	1,200	-	1,200	712	488
Telephone/internet	2,100	-	2,100	3,205	(1,105)
Ducs and subscriptions	1,500	-	1,500	1,891	(391)
Penalties and interest	-	-	-	223	(223)
Reserve	4,000	-	4,000	-	4,000
Total expenditures	<u>343,174</u>	<u>20,000</u>	<u>363,174</u>	<u>301,662</u>	<u>61,512</u>
Excess of revenues over (under) expenditures	-	<u>(20,000)</u>	<u>(20,000)</u>	<u>40,483</u>	<u>60,483</u>
OTHER FINANCING SOURCES:					
Designation of fund balance	-	20,000	20,000	-	(20,000)
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,483</u>	<u>\$ 40,483</u>

See accompanying notes to required supplemental information.

Danbury Downtown District
Notes to Required Supplemental Information
June 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Accounting

The District follows these procedures for establishing the budgetary data reflected in the financial statements for the General Fund:

1. On or about February 1, the District adopts an annual budget at a general meeting of property owners, present or by proxy, and files the budget with the Director of Finance of the City of Danbury.
2. The Board of Commissioners of the District shall recommend to the Common Council of the City of Danbury, on or before April 1 of each year, a levy upon taxable interests in real property within such district.
3. In accordance with the Connecticut General Statutes, it shall be the obligation of the Common Council to impose the recommended levy as a municipal levy and such levy shall be in addition to the regular municipal levy and it shall be the obligation of the City of Danbury to collect such levy for the benefit of the District.
4. The Board of Commissioners is authorized to transfer budget amounts within line items as well as any supplemental appropriations that amend the total expenditures.
5. Formal budgetary accounting is employed as a management control within the District for the General Fund. An annual operating budget is adopted each fiscal year in accordance with the City of Danbury Code of Ordinances and amended as required. The General Fund budget is adopted on a modified accrual basis of accounting (GAAP).
6. All unencumbered appropriations lapse at the end of each fiscal year.
7. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. There were no encumbrances outstanding at year-end.

Danbury Downtown District
Notes to Required Supplemental Information (continued)
June 30, 2020

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

At June 30, 2020 the following line items exceeded the amended budget. Actual expenditures were more than budgeted amounts. No line item transfers were made at year-end to cover the unfavorable variances.

	<u>Amended Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Salary - special events/development	\$ 52,788	\$ 53,621	\$ (833)
Wages - project coordinator	\$ 8,400	\$ 23,187	\$ (14,787)
Wages - maintenance	\$ 3,600	\$ 4,696	\$ (1,096)
Insurance	\$ 14,500	\$ 14,584	\$ (84)
Bookkeeping	\$ 16,800	\$ 17,151	\$ (351)
Accounting/Audit	\$ 5,000	\$ 5,700	\$ (700)
Telephone/internet	\$ 2,100	\$ 3,205	\$ (1,105)
Dues and subscriptions	\$ 1,500	\$ 1,891	\$ (391)
Penalties and interest	\$ -	\$ 223	\$ (223)

Statistical Section (Unaudited)

Danbury Downtown District

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Grand List Year October 1,	Mill Rate (Per \$1,000)	Adjusted Tax Levy	Current Tax Collections	Percent of Current Taxes		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Adjusted Tax Levy		Outstanding Delinquent Taxes	Percent of Delinquent Taxes To Adjusted Tax Levy	
					Collected								
2011	2009	1.604	\$ 194,700	\$ 191,193	98%	\$	4,375	\$ 195,568	100%	\$	5,529	3%	
2012	2010	1.789	\$ 215,300	\$ 213,268	99%	\$	-	\$ 213,268	99%	\$	7,561	4%	
2013	2011	1.873	\$ 247,299	\$ 243,687	99%	\$	5,257	\$ 248,944	101%	\$	5,916	2%	
2014	2012	2.160	\$ 256,881	\$ 251,248	98%	\$	1,998	\$ 253,246	99%	\$	9,551	4%	
2015	2013	2.175	\$ 259,528	\$ 254,221	98%	\$	6,320	\$ 260,541	100%	\$	8,538	3%	
2016	2014	2.330	\$ 267,385	\$ 263,452	99%	\$	7,905	\$ 271,357	101%	\$	4,566	2%	
2017	2015	2.330	\$ 266,560	\$ 261,282	98%	\$	3,402	\$ 264,684	99%	\$	6,442	2%	
2018	2016	2.330	\$ 317,964	\$ 313,950	99%	\$	3,986	\$ 317,936	100%	\$	6,470	2%	
2019	2017	2.270	\$ 334,376	\$ 330,246	99%	\$	1,210	\$ 331,456	99%	\$	9,390	3%	
2020	2018	2.310	\$ 343,174	\$ 335,414	98%	\$	1,364	\$ 336,778	98%	\$	15,786	5%	